

HEALTHY RETAILING OPTIONS FOR CENTRAL OHIO

Summary Report September 2013



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INTRODUCTION





Ohio's number one industry is food and agriculture, trades that contribute approximately one hundred billion dollars to the state's economy every year.¹ Yet while Columbus, Ohio's capital city, is surrounded by farmland, it is not immune to an issue commonly referred to as food deserts. A food desert is a term used to characterize a region (typically impoverished) where families struggle to obtain affordable and nutritious foods because of lack of access to full-service supermarkets.² In accordance with the nation's obesity crisis and corresponding nutrition movement, food deserts have received increasing amounts of attention in recent years. Still, they haven't disappeared. In Columbus, Franklinton and the Hilltop are neighborhoods whose residents, many of whom live in poverty, regularly rely on corner stores and small food retailers to purchase their groceries.

Noting the lack of fresh produce and other healthful foods at such corner stores, five central Ohio organizations convened initially in 2010 to create the Healthy Corner Store Collaborative (HCSC)—including, Columbus Public Health, Franklinton Gardens, Local Matters, OSU's John Glenn School of Public Affairs, and United Way of Central Ohio. Together, a model for a healthy corner store initiative entitled Fresh Food Here (FFH) was developed which successfully introduced produce and other healthful foods at three stores in Franklinton. Volume and

variety of produce options increased, as did purchases of healthy food, suggesting that increasing availability of fruits, vegetables, low fat and low sodium foods, and other healthy products increased consumption.³

In order to continue to improve food access in underserved neighborhoods and incentivize healthy food retail practices in the future, policy-based strategies at the local and state level must be considered and potentially implemented. FFH is supporting healthful food access in select corner stores and small food retailers, but hundreds of other stores exist throughout central Ohio without access to the benefits provided by such programmatic approaches. An environmental approach is needed to broaden the impact of healthy food access initiatives and support existing efforts. Taking programmatic strategies like the FFH project a step further is also crucial. Accordingly, this report will recommend policy and non-policy options for central Ohio community stakeholders (advocates, community based organizations, funding entities, elected officials, etc.) can consider for future implementation. This report will encourage stakeholders to assess existing barriers and opportunities to these options, and compare examples of strategies and best practices that have been documented in other cities.

Four Strategies Based on Policy and Precedence Research

Strategy	Implementation
 1. Healthy Food Retailer Licensing Ordinance	Policy-Based Opportunities
 2. Amend Zoning Laws	
 3. Healthy Small Food Retailer Certification Program	Non-Policy Opportunities
 4. Attract Full-Service Food and Retail Stores	

1. "Agriculture." The Ohio State University Extension. 2013. <http://extension.osu.edu/topics/agriculture>

2. "Food Access Research Atlas." United States Department of Agriculture Economic Research Service. 2013. <http://www.ers.usda.gov/data-products/food-access-research-atlas/about-the-atlas.aspx#.Uhej4hs3uSo>

3. Kim Young. "Fresh Foods Here: A Healthy Corner Store Initiative." 2013.

POLICY OPTIONS

Healthy Food Retailer Licensing Ordinance



Perhaps the most direct and regulatory method of improving food access at corner stores and small food retailers is to impose a Healthy Food Retailer Licensing Ordinance.⁴

Requiring all food retailers to sell at least some healthy foods, this option mandates stores improve the nutritional quality of their offerings, thus expanding healthy food accessibility to an entire community. ChangeLab Solutions states that a licensing ordinance is best fit for larger communities, where developing personal relationships with all qualified retailers is challenging. It has proved most successful when local governments are motivated to pass regulatory policies and the public health department has the capacity to enforce and monitor the ordinance's implementation.

To implement such an ordinance in Columbus, the stakeholders must define the requirements stores would have to attain to receive their food retailer license. ChangeLab Solutions advocates for baseline requirements that require certain percentages of the “selling area” are devoted to staple healthful foods (dairy products, proteins, and whole grains) and produce. To increase store owner buy-in, an incentive program could be incorporated into the ordinance, encouraging higher nutritional standards for foods offered in the stores. Other components of the ordinance could include a limit on the percentage of beverages for sale that are sugary—with a corresponding incentive offered for also limiting the serving size of fountain drinks sold. In addition, the licensing ordinance could require retailer compliance with tobacco and alcohol regulations, participation in SNAP and WIC, and maintenance of a clean, safe store.



4. “Licensing for Lettuce: A Guide to the Model Licensing Ordinance for Healthy Food Retailers.” ChangeLab Solutions. 2013. http://changelabsolutions.org/sites/default/files/Licensing_for_Lettuce_FINAL_20130212_0.pdf

Ideas for appealing incentives include: low-interest business loans, tax deductions/credits, expedited permitting, or admittance to other business development programs.⁵ Penalties must also be established for noncompliance. Usually, this means policy enforcement must be involved in implementation of the license. Researchers point out, however, that the goal of the policy is elimination of food deserts, not shutting down corner stores and small food retailers. Accordingly, giving multiple warnings before any fines are issued is highly recommended—and the stakeholders should

recognize their responsibility in helping stores make such a significant transition.

To execute this strategy, the stakeholders must identify the primary partner responsible for implementation, as well as organizations that will take responsibility for “outreach and education, processing applications, store inspections, technical assistance to store owners, and enforcement.” It is suggested that the community’s health department (familiar with food safety inspections) would be a great partner for enforcement.

CASE STUDY: MINNEAPOLIS, MN

The Staple Foods Ordinance, passed in 2008, amends Minneapolis city codes to require all small food retailers and grocery stores stock a variety of dairy products, proteins, bread, cereal, vegetables and fruit—most of which must be fresh.⁶ Though the initiative was born from concerns for public safety, as policy makers were concerned that stores chiefly selling alcohol, tobacco, and highly processed foods were magnets for crime, the ordinance also served to make Minneapolis the first city to regulate nutritional standards in food

stores.⁷ The City Regulatory Services Department trained inspectors on the requirements, and stores are checked for compliance approximately three times per year. Yet compliance hasn’t been easy for all stores—support from the Minneapolis Healthy Corner Store Program is essential for success in technical assistance for stocking produce—and would be immensely helpful in store’s marketing and business planning efforts, as well.

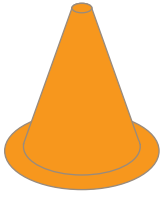


5. “Licensing for Lettuce.”

6. “Minneapolis Healthy Corner Store Program.” Minneapolis Department of Health and Family Support. February 2012. http://www.health.state.mn.us/divs/oshii/docs/Mpls_Healthy_Corner_Store.pdf

7. “Licensing for Lettuce.”

Amend Zoning Laws



A second policy strategy to improve food access is to amend zoning laws.⁸ A tool regulating the use of a piece of land, zoning typically permits or prohibits certain property uses. Zoning could be used to regulate the location of certain businesses and limit the number of a specific type of business within a community. It transcends ownership of the land—once a piece of property is zoned in a particular fashion, it remains that way regardless of who owns it unless the zoning law is amended.

Specifically relevant to increasing healthy food access, zoning has been used in other cities to allow farmers' markets or to ban fast food restaurants from locating near schools. Zoning laws also have been imposed to limit the density of fast food outlets relative to other food options: limitations include restrictions on "total number of fast food establishments in a community (Arcata, CA), limits on density of fast food establishments along the lot frontage on a public street (Westwood Village, Los

Angeles, CA), and limits on proximity to other land uses including existing fast food establishments (Warner, NH). In rare circumstances, zoning codes impose an outright ban on fast food restaurants (Concord, MA).⁹ Applied to the public health goals of FFH and other healthy food access strategies, zoning laws could be amended to offer incentives to corner stores and small food retailers opting to sell healthy food, and/or to impose requirements regarding acceptance of SNAP and WIC benefits. Enforcement of zoning requirements must be managed through the legal system: governments can request that courts order businesses to comply with zoning laws. Alternatively, conditional use permits (which can be used for local governments considering special uses of a property that are desirable for a particular community, but are not a component of current zoning regulations) can be revoked in the case of violations. In this case, conditional use permits revoked for stores which did not accept SNAP/WIC could mean that those stores would not receive a land use entitlement—clearly a severe consequence.

CASE STUDY: NEW YORK CITY, NY

New York City's research on food deserts led to the establishment of the Food Retail Expansion to Support Health (FRESH) program. Food retailers and developers who meet FRESH's criteria are eligible for zoning incentives through the Department of City Planning.¹⁰ These include additional residential square footage for every

square foot provided for a food store in a mixed use building, reductions in required parking, and larger grocery stores in districts zoned for light manufacturing. These incentives are offered in hopes that food retailers will locate in "underserved neighborhoods...with primarily pedestrian-oriented, local shopping districts."

8. "Licensing & Zoning: Tools for Public Health." ChangeLab Solutions. 2012. <http://changelabsolutions.org/publications/licensing-zoning>

9. Kailee Neuner, Sylvia Kelly, and Samina Raja. "Planning to Eat? Innovative Local Government Plans and Policies to Build Healthy Food Systems in the United States." University at Buffalo, The State University of New York. September 2011. http://cccfoodpolicy.org/sites/default/files/resources/planning_to_eat_sunybuffalo.pdf

10. "Food Retail Expansion to Support Health." The City of New York. 2011. <http://www.nyc.gov/html/misc/html/2009/fresh.shtml>

NON-POLICY OPPORTUNITIES

Healthy Small Food Retailer Certification Program



A prevalent strategy that doesn't necessarily require changes to state or local policy is the Healthy Small Food Retailer Certification Program.¹¹ Offering incentives to corner stores and small food retailers that meet particular standards, this option is recommended for cities that already have a healthy retailing project underway, much like central Ohio's FFH project underway on Columbus' West Side. A certification program could increase the influence of this initiative, as well as become a method of gaining partners in state and local governments.

Since it is a program, not a policy, the certification strategy could be implemented by a government agency or a community-based organization. Research conducted by ChangeLab Solutions shows maximum results for the program when:

- a neighborhood has many locally-owned, small retailers vending few, if any, healthy options
- a government agency and/or community organization obtains sufficient funding for development and implementation
- strong partnerships exist between community organizations and government agencies

CASE STUDY: LOUISVILLE, KY

Louisville, Kentucky's YMCA launched a certification program for corner stores and small food retailers called Healthy in a Hurry as part of a city-wide Healthy Hometown Initiative.¹² Seven stores are participating in the program, which assists retailers in selling fresh produce in neighborhoods designated as

food deserts. Accepting SNAP and WIC benefits is the requirement for participation; available incentives include permanent refrigeration and display equipment, store renovations, in-store cooking demonstrations and nutrition education, and a \$1,000 voucher for initial produce orders.

11. "Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs." ChangeLab Solutions. 2013. http://changelabsolutions.org/sites/default/files/Health_on_the_Shelf_FINAL_20130322-web_0.pdf "Health on the Shelf"

12. "Health on the Shelf"

While an optional program does not have the level of impact that policy requirements afford, a certification program could lend increased formality and permanence beyond existing efforts.

To implement this type of program, the stakeholders must define the standards stores would have to attain to gain certification. Creating multiple tiers—the baseline requirements, followed by levels that offer additional rewards for delving even further into healthy options—is a way to challenge store owners and communities. Baseline standards might include requirements such as: low-fat or nonfat dairy products, several varieties of canned beans, 100% whole grain bread, four types of fresh fruit, four types of fresh vegetables, canned and frozen fruits and vegetables without added salt, sugar, or fat, acceptance of SNAP benefits, and maintenance of a clean and attractive store. Higher-level standards

might include requirements such as: reducing the number of tobacco and alcohol options by 20%, offering one additional fresh fruit and vegetable option, selling a fresh, lean cut of meat, or displaying produce at the front of the store.

Suggested incentives available for retailers meeting all standards include: reducing/waiving government administrative fee requirements (for permits or licenses), a local tax exemption, free or reduced-cost equipment for stocking healthier food—such as baskets, display racks, and refrigerated cases, low-interest loans for store renovations or equipment purchases, training for store owners on healthy product marketing, nutrition, and business expansion, advertisement of the program, arranging discounts from fruit and vegetable wholesalers, or priority access to grant/loan programs offered by local economic development agencies.



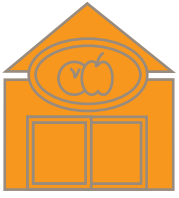
CASE STUDY: PITT COUNTY, NC¹³

Certification programs aren't just employed by cities; in North Carolina, Pitt County's Health Department introduced the Corner Store Initiative to bring healthier food options to low-income areas. Nine stores—most of which are SNAP and WIC certified but offer limited or no fresh fruits and vegetables—currently participate. Personally customized plans are

developed for each store to ensure the most potentially profitable food items are brought to market, based on customer surveys as well as the store owner's own insights. In order to make sourcing produce affordable, each store is connected to the distribution hub of a local farmers' co-op. Finally, plans for a healthy store owner association are in the works.

13. "Getting to Grocery: Tools for Attracting Healthy Food Retail to Underserved Neighborhoods." ChangeLab Solutions. 2012. http://changelabsolutions.org/sites/default/files/documents/Getting_to_Grocery_FINAL_20120514.pdf

Attract Full-Service Food and Retail Stores



Finally, stakeholders could try to attract full-service food and retail stores, or assist corner stores and small food retailers in expansion projects.¹⁴ This was a strategy employed by several partners in Columbus in 2008: the Finance Fund and Columbus Compact Corporation sponsored the creation of the Heritage Square Marketplace, including a Save-a-Lot grocery store, in a food desert on the Near East Side.¹⁵ While this goal might be a long-range one for stakeholders, and again lacks the broader impact of a policy change, bringing larger stores into underserved neighborhoods like Franklinton would not only increase access to healthy foods, but also create new jobs and attract other businesses. Yet negative perceptions of the neighborhood (such as the increased need for security), perceived lack of spending capacity, and the lack of interest of elected officials in prioritizing the issue can make attracting larger stores challenging. Thus, having a strong incentive program in place is even more important.

One recommended incentive is tax credits: though it takes work to identify which federal, state, and local

tax credits for which a grocery store might be eligible, as well as significant paperwork and monitoring to receive them, some research has found retailers may be eligible to save up to \$2 million. A second incentive idea is predevelopment assistance. Cities could help attract full-service food stores by identifying potential sites or assembling parcels of land to make a site large enough for a retailer. Providing resources for site clean-up and preparation, working with community organizations and citizens in planning and development, and providing parking and infrastructure improvements is also recommended. Finally, city officials could relax zoning requirements or speed up the permitting process as yet another way to motivate retail stores to locate in a particular neighborhood. After the store is built, local governments might assist with providing safety officers, offering workforce development assistance, and funding store or equipment improvements. In the Columbus Near East Side Save-a-Lot example, the Finance Fund provided a one million dollar New Market Tax Credit low-interest loan to help with property acquisition and store construction. Clearly, collaboration between city government and community organizations is critical for this option.

CASE STUDY: CINCINNATI, OH

In December of 2012, Cincinnati's City Council allocated five million dollars towards the Cincinnati Fresh Food Financing Retail Fund, a public-private financing program which aims to increase the number of supermarkets, grocery stores, and fresh food markets in underserved neighborhoods.¹⁶ Key partners include the Cincinnati Development Fund and the Center for Closing the Health Gap, as well as the Ohio Grocers Association. Retailers can apply for a variety of grants and loans, of which the Fund will assess and determine an appropriate

combination. The Fund also plans to provide technical assistance to new/expanding stores, ranging from developing marketing strategies, referring stores to suppliers, and assisting stores in acquiring technology to accept SNAP and WIC benefits. Cincinnati hopes this initiative will not only increase access to healthy foods, but also provide employment and serve as agents of change for neighborhood revitalization—attracting other businesses and making neighborhoods more livable.

14. "Success Stores: Heritage Square Marketplace." The Finance Fund. 2013. <http://www.financefund.org/our-work/success-stories>

15. Katina Boyce and David Treering. "Cincinnati Fresh Food Financing Retail Fund: Proposed Elements." The Food Trust and the Center for Closing the Health Gap in Greater Cincinnati. August 2012. http://mediad.publicbroadcasting.net/p/wvxu/files/201210/Cin_reportFINAL.PDF

16. Noreen Warnock (Local Matters), Robert Ogilvie (ChangeLab Solutions), and Brian Williams (MORPC), interview by Ellen Holodnak, July 2013.

BARRIERS AND OPPORTUNITIES

Interviews with nutrition, food policy, and agriculture experts were unanimous on one barrier: stores will be reluctant to participate in healthy retailing initiatives if they do not believe it will increase their profitability.¹⁷ Dealing with relatively small quantities of highly perishable foods leaves much more room for loss than alcohol, tobacco, and packaged food products. Further, retailers must be certain they will be able to sell specific products to their customers—who may be unfamiliar with or inexperienced handling and preparing fresh produce and other healthful foods. Yet opportunities exist to overcome this barrier. Frozen and canned fruits and vegetables, as well as other nutritious products (whole grains, low fat and low sodium offerings, etc.) are ways to increase healthy options without the difficulty of managing highly perishable foods. Additionally, stakeholders can assist with marketing fresh food for corner stores and small food retailers, or offer educational information or learning opportunities in conjunction with new produce options. Some cities implementing similar campaigns have hired procurement experts to assist small food retailers in buying produce that their target market wants, as well as selling it at the right price—a measure to which larger grocery stores have full-time employees devoted.¹⁸ Finally, new WIC regulations encourage purchase of fresh food for the first time; ensuring that corner stores and small food retailers are WIC (and SNAP) Certified is another way to build a market of clients interested in fresh food.¹⁹

Distribution issues can also be a barrier to small food retailers' ability to carry a variety of produce options. One corner store owner in Cleveland, Ohio, was committed to carrying fresh fruits and vegetables, but found that distributors didn't want to bother with small shipments to her store. After weeks of driving to a different delivery site and picking up the orders herself, she eventually began buying produce at a full-size supermarket and re-selling it at her grocery store—finding this option to be the simplest and most profitable.²⁰ By comparison, Columbus is fortunate to have cooperatives, community markets, and other alternative distribution models that



17. Robert Ogilvie, interview by Ellen Holodnak, July 2013.

18. Robert Ogilvie, interview by Ellen Holodnak, July 2013.

19. Brian Williams, interview by Ellen Holodnak, July 2013.

20. Brian Williams, interview by Ellen Holodnak, July 2013.

may be willing to distribute in smaller quantities.²¹ This is a major opportunity for corner stores and small food retailers to affordably and efficiently source produce—in many cases, from local farmers.

Regarding specific legal barriers to the policy based strategies, State of Ohio ordinances provide the framework for regulation of food-related issues: unprepared or “packaged foods,” including produce, are regulated through the Department of Agriculture, and prepared foods are regulated through the Ohio Department of Health.²² The enforcement of any licensing ordinance regulations would be granted and performed (via inspections) by local health departments, including Columbus Public Health.²³ In Columbus, any local ordinance that mandated a food retailer must improve the nutritional quality of their offerings could not be attached to their ability to be licensed as a food retailer. It might be possible to attach such an ordinance

to a building occupancy or other required permit, however.²⁴ Zoning regulations in the city of Columbus would be managed by the city’s Building and Zoning Services Department; unincorporated areas in Franklin County vary as to whether the county or township would institute changes.²⁵ More detailed guidelines are subject to the specifics of the property in question.

Programmatic strategies can be more easily implemented and, by virtue of being optional, lack the legal barriers required by mandatory laws, standards, or procedures found in policy-based strategies. In the long-run, however, policies may be more effective and efficient at reaching the largest number of people, especially given their greater tendency to permanence than programs, which can experience resource reductions once leadership changes or budgets diminish. Therefore, a mix of both programmatic and policy-based strategies over time seems most conducive to maximum success.



21. Rick Hicks (Columbus Public Health), interview by Ellen Holodnak, August 2013.

22. Rick Hicks, interview by Ellen Holodnak, August 2013.

23. Crystal Stevenson (Ohio Department of Agriculture), in discussion with Rick Hicks, August 2013.

24. Paul Freedman (City Building and Zoning Services Department), interview by Ellen Holodnak, August 2013.

CONCLUSION

Which option should Columbus consider implementing first? Stakeholders might consider the trajectory of Philadelphia's food movement as a model for next steps in expanding food access.

The Food Trust, a nonprofit organization established in 1992, was the first actor to initiate changes in Philadelphia.²⁵ Reacting to growing awareness of food deserts, they offered nutrition classes and introduced farmers' markets to underserved neighborhoods. In 2001, recognizing the need for healthy options year-round, the Trust published a report entitled *The Need for More Supermarkets*, which revealed higher mortality rates in food deserts. The report also served as the impetus for Philadelphia's City Council to request that the Trust assemble a task force (composed of experts in supermarket planning and development as well as community organizers) to generate policy strategies.²⁷ Accordingly, the recommendations were compiled into another report, *Stimulating Supermarket Development: A New Day for Philadelphia*, in 2004. Simultaneously, under the leadership of one of Philadelphia's state representatives, efforts were undertaken to eliminate food deserts state-wide through the Supermarket Campaign. Evolving into the Pennsylvania Fresh Food

Financing Initiative (FFFI), the campaign was granted a \$30 million commitment from 2004-2006 to provide financial and technical assistance to businesses offering fresh food options in neighborhoods declared food deserts.²⁸ Now operating with close to \$200 million, the FFFI has added 83 new or improved grocery stores in underserved communities. They calculate a social return on investment (which adds reduction in chronic disease expenditures, increase in productivity, and number of jobs created times annual salary) of over \$2 billion.

Central Ohio stands in the nascent stages of the food access movement. With emerging healthful food projects already underway, the region has the potential to progress through a timeline similar to that of Philadelphia. Accordingly, stakeholders must focus on encouraging locally elected officials and institutional partners to champion the effort. Stakeholders might consider a certification program first, and then proceed with policies like the licensing ordinance as it gains local or state government support. Grocery store attraction strategies, as the experience of the Pennsylvania FFFI proves, take time to build capacity, and are most feasible as long-range goals.

25. Nichole Apollon Chirouze, Jennifer Atlas, and Parth Rajyaguru. "The Food Trust and the Fresh Food Financing Initiative: Eliminating Food Deserts." Philadelphia Social Innovations Journal. May 2010. http://www.philasocialinnovations.org/site/index.php?option=com_content&view=article&id=177%3Athe-food-trust-and-the-fresh-food-financing-initiative-eliminating-food-deserts&catid=21%3Afeatured-social-innovations&Itemid=35&limitstart=3

26. "Economic Stimulus Bill to Attract Supermarkets to Underserved Urban Areas." Pennsylvania Food Merchants Association and Pennsylvania Convenience Store Council. 2001. http://www.pfma.org/leg_reg-pop.html?iss=&rid=3

27. Chirouze et al. "The Food Trust and Fresh Food Financing Initiative."



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